GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:447
ANSWERED ON:25.08.2000
INDUSTRIAL BACKWARDNESS
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO;SURESH KODIKUNNIL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have taken serious note of the industrial backwardness of several States;

(b) if so, the States which are still backward in the field of industrial growth along with the reasons for their backwardness;

(c) the share of each State in the industrial growth for the last five years, year-wise;

(d) whether the Government have formulated any schemes for the removal of industrial backwardness of these states; and

(e) if so, the details thereof and the financial/technical assistance provided to each State during the above period, scheme-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) to (e): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No.447 for answer on25/8/2000 regarding industrial backwardness.

(a) Yes, Sir.

(b) The Eighth Schedule of Income Tax Act {Section 80-1A (iv)(b)}1961, lists the following States and Union Territories as industrially backward:

1. Arunachal Pradesh,
2. Assam,
3. Manipur,
4. Meghalaya,
5. Mizoram,
6. Nagaland,
7. Tripura,
8. Sikkim,
9. Himachal Pradesh,
10. Jammu & Kashmir,
11. Goa,
12. Andaman & Nicobar Islands,
13. Dadra & Nagar Haveli,
14. Daman & Diu,
15. Lakshdweep, and
16. Pondicherry

In addition to the above, Govt of India has notified123 districts as industrially backward and classified them as Category `A` and Category `B` for grant of concession under the Income Tax Act, 1961 vide Ministry of Finance, Deptt of Revenue`s Notification No.S.O.714(E), dated 7/10/97. State-wise list of these districts is at Annexure-I.

Reasons for their industrial backwardness are poor infrastructure facilities, insufficient access to finance from financial institutions, lack of skilled manpower, low level of urbanisation, etc. Perceptions of security problems in some of the states has also been a reason for low level of private investment.

(c) As per the Annual Survey of Industries` (ASI),the share of each state in the industrial growth(value of gross output generated by industrial units) for the last five years is given in Annexure II .

(d) Under the New Industrial Policy of 1991, the initiative for industrial development of backward areas lies primarily with the State Governments. The Union Government supplements their efforts through various schemes and incentives which are listed below:

Initiatives for Infrastructure Development.

(i) Growth Centre Scheme: Announced in June, 1988 the Scheme`s objective is development of basic infrastructure like power, water, telecommunication, banking, sewage, effluent disposal etc in selected backward areas to enable the States to attract industrial units. 71 Growth Centres are proposed to be developed throughout the country under the scheme of which 68 have already been sanctioned.

(ii) Integrated Infrastructure Development Scheme:The Ministry of Small Scale Industries & Agro & Rural Industries is implementing this scheme for development of infrastructure facilities for small industries to facilitate location of industries in rural/backward areas.

The Ministry also administers the National Programme for Rural Industrialisation, setting up 100 rural clusters for boosting rural industrialisation.

Subsidy Schemes:

(i) Transport Subsidy Scheme: Introduced in July, 1971, to promote industries in hilly, remote and inaccessible areas, subsidy ranging from 50% to 90% is admissible under this scheme on movement of raw materials and finished goods from designated rail heads/ports upto the location of industrial units.

(ii) Industrial Policy Package for the North East: Keeping in view the geographical conditions and continued backwardness of the North Eastern region, a new industrial policy was announced for this region in December, 1997, which apart from having Growth Centre Scheme, IIDC Scheme and Transport Subsidy Scheme, as well as excise and income tax exemptions for a period of 10 years, also has the following subsidy schemes exclusively for the region:

(A) Capital Investment Subsidy Scheme;
(B) The Central Interest Subsidy Scheme;
(C) Comprehensive Insurance Scheme.

Tax Concessions:

(i) Under the Income Tax Act, 1961, Ministry of Finance has notified 123 industrially backward districts classified as category `A` and category `B` (vide Notification No. 714(E) dated 7/10/97 for grant of tax concessions).

(ii) Industrially backward states and Union Territories in Schedule eight of the Income Tax Act, 1961 are also entitled to an identical benefit for undertakings set up on or before 31/3/2002.

(e) Details of the schemes are given in part (a) of the reply. The financial assistance provided under various schemes is given in Annexure IIIA,B,C,D.

STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO.447 FOR ANSWER ON 25.08.2000

ANNEXURE I

LIST OF INDUSTRIALLY BACKWARD DISTRICTS IN THE COUNTRY, AS NOTIFIED BY THE MINISTRY OF FINANCE, DEPARTMENT OF REVENUE VIDE SO NO. 714(E) DATED 07-10-97

Category`A`	Category `B`
Bihar	Andhra Pradesh
Godda	Srikakulam
Gumla	Mahbubnagar

Araria
Madhepura Bihar
Dumka
Khagaria Katiyar
Kishanganj Bhagalpur
Palamau Gopalganj
Madhubani Darbhanga
Jehanabad West- Champaran
Saharsa Saran
Nawadah Bhojpur
Sitamarhi Samastipur
Sahebganj Deoghar
Aurangabad Nalanda
East-Champaran Gaya
Purnia Muzaffarpur
Siwan Rohtas
Vaishali GUJARAT
Lohar-dagga
GUJARAT Banaskantha
Sabarkantha
The Dangs
KERALA KARNATAKA

Idukki Bidar
Wayanad

Category `A` Category`B`

MADHYA PRADESH MADHYA PRADESH

Mandla Seoni
Panna Tikamgarh
Bastar Shivpuri
Sarguja Balaghat
Chhatarpur Jhabua
MAHARASHTRA Sidhi
Vidisha
Gadchiroli Raigarh
ORISSA Morena
Betul
Phulbani Rajgarh
Kalahandi Rajnandgaon
RAJASTHAN Sagar

Jalore MAHARASHTRA
Barmer
Jaisalmer Beed
Churu ORISSA
Banswara
UTTAR PRADESH Bolangir
Mayurbhanj
Sidharthanagar Balasore
Baharaich Ganjam
Pratapgarh RAJASTHAN
Maharajganj
Banda Dungarpur
Basti Dholpur
Chamoli Sawai- Madhopur
Uttarkashi Tonk
Almora Nagaur
Pithoragarh Sikar
Tehri- Garhwal Jhalawar

Category `A` Category `B`

WEST BENGAL UTTAR PRADESH

Malda Mau
West-Dinajpur Hardoi
Murshidabad Lalitpur
Coochbehar Hamirpur
Bankura Badaun
Jalpaiguri Fatehpur
Azamgarh

Etah
Barabanki
Etawah
Deoria
Ghazipur
Ballia
Jaunpur
Sitapur
Jalaun
Unnao
Faizabad
Kanpur-Dehat
Mainpuri
Gonda
Farukhabad
Sultanpur
Mirzapur

WEST BENGAL

Purulia
Midnapore
Birbhum

STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO.447 FOR ANSWER ON 25.08.2000

Annexure II

Value of Output generated by Industrial Units covered in Annual Survey of Industries
Percentage

States/year	1997-98	1996-97	1995-96	1994-95	1993-94
Industrially backward States/UTs					
Arunachal Pradesh	Not covered in the Annual Survey of Industries				
Assam	0.91	0.86	0.85	0.83	0.87
Manipur	0.03	0.01	0.01	0	0
Meghalaya	0.03	0.02	0.02	0	0
Mizoram	Not covered in the Annual Survey of Industries				
Nagaland	0.04	0.02	0.02	0.01	0.02
Tripura	0.04	0.02	0.02	0.01	0.02
Sikkim	Not covered in the Annual Survey of Industries				
Himachal Pradesh	0.54	0.57	0.47	0.47	0.46
Jammu & Kashmir	0.15	0.13	0.16	0.14	0.18
Goa	0.52	0.48	0.39	0.34	0.45
A & N Island	0.02	0.02	0.03	0.02	0.02
Dadra & Nagar Haveli	0.78	0.57	0.36	0.35	0.31
Daman & Diu	0.42	0.46	0.33	0.3	0.18
Lakshadweep	Not covered in the Annual Survey of Industries				
Pondicherry	0.46	0.43	0.25	0.28	0.25
Other States/UTs					
Andhra Pradesh	6.88	6.42	6.9	7.26	6.66
Bihar	3.51	3.62	3.29	3.7	4.6
Gujarat	12.87	11.81	12.65	10.9	11.02
Haryana	3.94	4.48	4.09	3.93	3.62
Karnataka	5.17	5.38	4.6	4.73	4.41
Kerala	2.42	2.41	2.32	1.81	2.07
Madhya Pradesh	5.36	5.77	6.24	5.56	5.77
Maharashtra	21	20.73	22.21	21.13	21.66
Orissa	1.81	1.78	1.81	1.87	1.96
Punjab	3.88	4.14	4.02	4.31	4.52
Rajasthan	3.45	3.4	3.3	3.46	3.27
Tamil Nadu	10.01	10.71	10.5	11.64	10.72
Uttar Pradesh	8.7	8.74	8.51	9.4	9.44
West Bengal	5.08	4.99	4.68	5	5.38
Chandigarh	0.15	0.13	0.15	0.16	0.12
Delhi	1.86	1.91	1.84	2.35	2.03
All India	100	100	100	100	100

Annexure III A

Release of Central Assistance to Growth Centres.

Sl. No.	Name of Growth Centre	Year 1995-96	1996-97	1997-98	1998-99	99-2000	Total amount released 5 Years
I	ANDHRA PRADESH						
1	Hindupur	-	200				
2	Khammam	-	50				
3	Vizianagaram-Bobbilli	100	140	100	11	351	551
4	Ongole	100	150	200		450	650
II	ARUNACHAL PRADESH						
5	Niklok Ngorlung	50	48	50	148	148	
III	ASSAM						
6	Chariduar	50		150	200	200	
7	Matia	50	100	150	150		
8	Chaygaon	-					
IV	BIHAR						
9	Begusarai	250	50		300	300	
10	Bhagalpur	50		50	50		
11	Chhapra	50		50	50		
12	Darbhanga	50		50	50		
13	Hazaribagh	150	50		200	200	
14	Muzaffarpur	50		50	50		
V	GOA						
15	Electronic City	150		150	674		
VI	GUJARAT						
16	Gandhidham	-	100				
17	Palanpur	-	100				
18	Vagra	40		40	1000		
VII	HARYANA						
19	Bawal	-	1000				
20	Saha	50		50	50		
VIII	HIMACHAL PRADESH						
21	Kangra	450		450	450		
IX	JAMMU & KASHMIR						
22	Lassipora	50		50	50		
23	Samba	400	50	200	650	850	
X	KARNATKA						
24	Dharwad	380	200		580	1000	
25	Raichur	140	220	120		480	800
26	Hassan	500	140	60		700	1000
XI	KERALA						
27	Alappuzha-Malappuram	100	200	532		832	1000
28	Kannur-Kozhikode	400	116		516	1000	
XII	MADHYA PRADESH						
29	Borai	200	100		125	425	793
30	Chainpura	-	100				
31	Ghirongi	-	1000				
32	Kheda	577		577	1000		
33	Satlapur	135	250		385	435	
34	Siltara	134		134	1000		
XIII	MAHARASHTRA						
35	Akola	100	450		200	750	950
36	Chandrapur	100	100	200	60	460	650
37	Dhule	50	200	250	450		
38	Nanded	550		200	750	750	
39	Ratnagiri	40	200		240	440	
XIV	MANIPUR						
40	Lamlai-Napet	50		50	50		
XV	MEGHALAYA						
41	Mendipathar	50		50	50		
XVI	MIZORAM						
42	Luangmual	50		50	50		
XVII	NAGALAND						
43	Ganeshnagar	500	500	1000	1050		
XVIII	ORISSA						
44	Chatrapur	-	50				
45	Kalinganagar-Duburi	50	50	100	150		
46	Jharsuguda	-	50				
47	Kesinga	50	50	50			
XIX	PONDICHERRY						
48	Polagam	50	250	300	300		
XX	PUNJAB						
49	Bhantida	100		100	1000		
50	Pathankot	200		200	1000		
XXI	RAJASTHAN						
51	Abu Road	360	140		500	1000	
52	Bikaner	50	100	150	450		
53	Bhilwara	100	150	250	300		
54	Dholpur	50	70	120	320		
55	Jhalawar	-	300				
XXII	SIKKIM						
56	Majhitar	-					
XXIII	TAMILNADU						
57	Erode	-	1000				

58 Tirunelveli - 930
59 Oragadam 50 50 50
XXIV TRIPURA
60 Bodhjung Nagar - 50
XXV UTTAR PRADESH
61 Bijauli 100 100 150
62 Jamaur - 50
63 Chaudharpur - 50
64 Dibiapur 50 50 50
65 Khurja 200 170 370 420
66 Satharia 400 400 450
67 Sahjanwa - 1000
68 Shivrajpur-Padampur - 50
XXVI WEST BENGAL
69 Bolpur 50 50 50
70 Jalpaiguri 50 50 50
71 Malda 50 50 50

TOTAL 4616 2896 2500 2000 2496 14508 29871

Statement referred to Lok Sabha Starred Question No.447 for answer on 25.08.2000

Annexure III B

Progress of IID centres

(Rs.in Lakhs)

No. of IIDCs Project cost Govt. grant
total released

46 24229.53 8954.58 3588.31

Note: Besided the 46 IID centres. 7 centres one each in MP,UP,HP & Union Territory of Dadra & Nagar Haveli, Daman & Diu and 2 in Haryana were approved but were abandoned by the concerned State/UT

STATEMENT REFERRED TO LOK SABHA STARRED QUESTION NO.447 FOR ANSWER ON 25.08.2000

STATEMENT INDICATING YEAR-WISE REIMBURSEMENT MADE UNDER TRANSPORT SUBSIDY SCHEME UP TO 31.03.2000(Rupees in lakhs rounded off)

Sl. No. Name of State/UT 1976-77 to 1979-80 1980-81 to 1984-85 1985-86 to 1989-90

1990-91 1991-92 1992-93 1993-94 1994-95 1995-96 1996-97 1997-98 1998-99 99-2000 Total

1. ASSAM 3.73 438.22 897.00 1604.90 662.93 643.14 980.05 2217.90 3861.10 2061.89 2548.61 1250.54 1195.24 18361.90

2. MANIPUR 0.3 0.84 6.50 16.78 - 64.14 58.87 128.70 - - 18.96 24.40 4.00 323.49

3. TRIPURA 2.00 3.36 55.41 57.86 - 43.92 23.64 132.99 2.60 203.15 78.19 51.39 26.19 479.86

4. ARUNACHAL PRA - 6.37 225.14 212.71 - - - 47.66 - 267.42 1243.55 277.21 606.47 2886.53

5. MEGHALAYA - 19.12 83.82 50.27 - 7.00 136.21 250.10 195.88 190.66 506.55 127.45 703.96 2271.02
6. NAGALAND - - 223.51 217.32 205.73 - 145.95 67.80 - - 970.01 1169.19 649.02 3576.45

7 MIZORAM - - - 23.58 - 26.00 322.48 272.32 405.30 - - 103.30 347.22 1494.38

8. SIKKIM - 1.06 171.60 66.64 52.33 55.33 - - 123.24 36.43 129.82 - - 636.45

9. HIMACHAL PRA 0.46 7.12 1904.11 513.04 116.50 66.60 690.74 1809.57 36.88 973.19 824.77 4815.06 4650.79 16408.83
10. J & KASHMIR 1.55 15.11 281.92 252.84 71.34 - 151.45 334.79 - 466.30 138.62 594.51 280.23 2588.66
11. UTTAR PRADESH - 55.77 318.53 106.94 64.35 66.60 842.19 85.35 - 600.95 0.92 45.14 - 1582.44
12. A & NICOBAR - 55.48 544.72 152.51 256.82 245.52 452.19 1.49 375.00 197.48 - - - 2281.21
13. LAKSHADWEEP - - - - - - - - - - - - -
14. WEST BENGAL
(DARJEELING) - - - - - - - - - - - - 42.81 36.88 79.69
TOTAL 8.04 602.45 4712.26 3275.39 1430.00 1218.25 3199.47 5348.67 5000.00 4822.82 6460.00 8500.00 8500.00 53077.35

Statement referred to Lok Sabha Starred Question No.447 for answer on 25.08.2000

ANNEXURE III C

STATEMENT INDICATING RELEASES MADE TO VARIOUS STATES/UTS DURING THE LAST FIVE YEARS,
UNDER TRANSPORT SUBSIDY SCHEME.

(Rupees in lakh rounded off)

Sl.No. Name of the State/UT 1995-96 1996-97 1997-98 1998-99 99-2000 Total

1. ASSAM 3861.10 2061.89 2548.61 1250.53 1195.24 10917.4

2. MANIPUR - - 18.96 24.41 4.01 47.38

3. TRIPURA 2.60 28.50 78.19 51.40 26.19 186.88

4. ARUNACHAL PRADESH - 267.42 1243.55 277.21 606.46 2394.64

5. MEGHALAYA 195.88 190.66 506.55 127.45 703.96 1724.5
6. NAGALAND - - 970.01 1169.19 649.02 2788.22

7 MIZORAM 405.30 - - 103.29 347.22 855.81

8. SIKKIM 123.24 36.43 129.82 - - 289.49

9. HIMACHAL PRADESH 36.88 973.19 824.77 4814.06 4650.79 11299.7
10. JAMMU & KASHMIR - 466.30 138.62 594.51 280.23 1479.66
11. UTTAR PRADESH - 600.95 0.92 45.13 - 647
12. ANDAMAN & NICOBAR 375.00 197.48 - - - 572.48
13. LAKSHADWEEP - - - - - 0
14. WEST BENGAL(DARJEELING) - - - 42.82 36.88 79.70
TOTAL 5000.00 4822.82 6460.00 8500.00 8500.00 33282.8

Statement referred to Lok Sabha Starred Question No.447 for answer on 25.08.2000

Annexure-III-C

STATEMENT INDICATING REIMBURSEMENT MADE UNDER THE TRANSPORT SUBSIDY SCHEME DURING CURRENT FINANCIAL YEAR (UPTO 15.8.2000).

(B.E:Rs.86.00 crore)

S.No. Name of the State/UT Amount in Lakhs (Rounded off)

1. ASSAM -

2. MANIPUR -

3. TRIPURA -

4. ARUNACHAL PRADESH -

5. MEGHALAYA -
6. NAGALAND -

7 MIZORAM -

8. SIKKIM -

9. HIMACHAL PRADESH 437.26
10. JAMMU & KASHMIR -
11. UTTAR PRADESH -
12. ANDAMAN & NICOBAR ISLANDS -
13. LAKSHADWEEP -
14. WEST BENGAL (DARJEELING DIST)
15. NEDFi 2000.00

Total 2437.26 lakhs

Statement referred to Lok Sabha Starred Question No.447 for answer on 25.08.2000

Annexure-lll-D

The three new schemes introduced in the 9th Plan by Department of Industrial Policy and Promotion for accelerating industrialisation in the North Eastern Region.

(i) Capital Investment Subsidy Scheme

The scheme to be operated through State Governments provides for payment of subsidy for units to be set up in the North East region in identified locations at the rate of 15% of their investment in plant and machinery subject to a maximum ceiling of Rs.30 lakhs. Subsidy would be released to the eligible units by North Eastern Development Finance Corporation(NEDFI) on the basis of the recommendations of the State Level committee.

The scheme was notified on June,1998. The allocation for current financial year ie., BE 2000-2001 is Rs.2 crores.There has been no expenditure incurred as the scheme is yet to take off.

(ii) The Central Interest subsidy scheme

The scheme notified on 18.2.99 provides for interest subsidy at the rate of 3% to the new industrial units in the North Eastern Region on working capital loans for a period of ten years after commencement of commercial production. The scheme is to be operated through the State Government and to ensure timely payment of subsidy to eligible units, (NEDFI) has been designated as a nodal agency for disbursement and subsidy. A token budgetary provision of Rs.1 lakh was provided for the scheme in 1999-2000 and the same amount has been retained for the current financial year i.e., 2000-2001 also. No expenditure has been incurred under the scheme so far.

(iii) Comprehensive Insurance Scheme, 1997

A scheme for comprehensive insurance for industrial units in the North Eastern Region has been notified by the Ministry of Industry on 14th July, 1999. The scheme is effective upto 13.7.2009. All industrial units set up in the North Eastern Region after 24.12.1997 and included in the Fire Policy `C` (As per All India Fire Tariffs) are eligible for subsidy under the scheme.

This scheme was devised after detailed discussions with concerned State Governments in the North East.

The scheme envisages reimbursement of the insurance premium paid by the eligible units through a revolving fund maintained by the nodal insurance company which is the National Insurance Company. The fund for the revolving fund shall be contributed by the Department of Industrial Policy & Promotion.Since the scheme was announced in 1999 a token budget provision of Rs.1 lakh was been made in the year 1999-2000. A Budget provision of Rs.10 lakhs has been made in the current year 2000-2001. No expenditure has been incurred under the scheme so far.